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# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

### Testimony

#### Insurance and Real Estate Committee

March 7, 2013

#### **Raised Bill No. 1030 AN ACT CONCERNING SERVICE OF PROCESS ON THE INSURANCE COMMISSIONER.**

Senator Crisco, Representative Megna, and members of the Insurance and Real Estate Committee, the Insurance Department thanks the Committee for raising Senate Bill 1030 An Act Concerning Service of Process on the Insurance Commissioner, at the Department's request and appreciates the opportunity to provide testimony. Generally, Raised Senate Bill 1030 changes the primary method for service of process on admitted, non-domestic insurers by requiring them to appoint an agent for service of process and utilizing the Insurance Commissioner as a secondary method for service of process when the primary method fails.

Currently, the Insurance Commissioner is the agent for service of process for non-domestic insurers. Many of these insurers are large national companies with a substantial volume of business in this state. After the Commissioner is served the documents are forwarded to an address specified by the companies. In many cases the specified address is that of a professional service firm. This firm then forwards it to the company. The Commissioner does not review the content of the material that is being served upon him in this capacity.

The volume of this work is considerable. In a recent four month period there were over 800 such suits that were forwarded. In addition to forwarding the actual paperwork, the state has to make and keep copies of the material. Each item is sent by certified mail, return receipt requested. Copies of the return receipt have to be matched back against each item.

This proposal eliminates the Insurance Commissioner as the primary recipient for service of process. It eliminates a number of steps that seem to add little value but which are adding time and expense. The proposed change promotes efficiency and reduces costs.

A similar process already exists in numerous other states and will be very familiar to most, if not all, of the affected insurers.

The Insurance Department urges the Committee to give Raised Bill No. 1030 a favorable report. Thank you.